

## **0510.15 Procuring Direct Human Services and Medical Services – General**

Issued August 6, 2002

**SUBJECT:** Procuring Direct Human Services and Medical Services - General

**APPLICATION:** Executive Branch Departments and Sub-units.

**PURPOSE:** To specify the policies and procedures for procuring Direct Human Services and Medical Services.

**CONTACT AGENCY:** Department of Management and Budget (DMB) - Acquisition Services

**TELEPHONE:** 517/335-0230

**FAX:** 517/335-0046

**SUMMARY:** The following services may be purchased directly by Executive Branch Departments (department) in any dollar amounts subject to the procedures and conditions below.

Medical services - Clinical services provided directly by members of any health occupation licensed or registered by the Bureau of Health Services, Michigan Department of Consumer and Industry Services, except services licensed by the Board of Pharmacy and managed care medical services.

Direct human services - Services directly concerned with investigation, treatment and material aid of the economically underprivileged and socially deprived. (If not primarily a direct delivery of service to individual clients, the services must be handled pursuant to Procedure 0510.13 Procurement of Commodities and Services.)

Conditions:

1. The department's procurement procedures for these services must be approved by the Director of Acquisition Services.
2. The department's standard contract terms and conditions used for these services must be approved by the Director of Acquisition Services.
3. The department must specifically authorize, in writing, those employees who can execute contracts on behalf of the department.
4. All procurements under this procedure are subject to audit by DMB.

### **PROCEDURES:**

Department/Agency Procurement Staff:

Prior to Issuing a Solicitation

Identifies a need and determines all of the following: estimated cost; a complete description of the service required; deliverable schedule (if multiple deliverables are required, identify requirements for each) and period of time needed; any specialized licensing requirements; contract period; basis for payment; criteria for evaluating and awarding the contract; name of the contract administrator or contact person; and any other information that would be beneficial to the vendor community in responding to the solicitation. Agencies may find the need for site visits, oral presentations, etc. and should reserve that right in the RFP. At the request of the department, Acquisition Services can assist in the development of the work statement, specifications and the award criteria.

- After the work statement is developed, attach the agency terms and conditions as part of the RFP. These terms and conditions must include specifications of the work to be performed, pricing, provisions providing for indemnification of the State, insurance coverage and cancellation. The requirement for Commercial General Liability Insurance may be waived for individuals performing services such as members of the clergy, if the risks to the State are low and the cost of the insurance is prohibitive to the individual performing the services. Appropriate professional liability insurance or errors and omissions insurance, such as medical malpractice insurance, is required, if applicable. For assistance in assessing risks and determining the insurance requirements and other appropriate contract language, contact Acquisition Services.
- Determines if the need will be best satisfied by Special Personal Services or an independent contractor (see the Department of Civil Service website at [www.michigan.gov/mdcs](http://www.michigan.gov/mdcs)). If an independent contractor is determined to be the method, proceeds under the direction provided herein.
- Completes ADPICS 2117 CS138 Header Entry screen to obtain Civil Service approval unless the service is pre-authorized or non-jurisdictional. (see the Department of Civil Service website at [www.michigan.gov/mdcs](http://www.michigan.gov/mdcs)).
- If the service can be provided only from a single source, maintains justification documentation for sole source acquisition. A sole source award can be issued for one or more of the following documented conditions: (1) The service is available from only one source. (2) The service must be compatible with current services. (3) It would not be economically feasible for another vendor to perform the service. (4) A single vendor is uniquely qualified to meet the agency's procurement objective.
- If an educational institution or governmental agency can best fulfill the need, writes a justification, which documents those facts.

#### Issuing a Solicitation

- If the value of the procurement is estimated to be greater than \$50,000.00 and the award is not a sole source, issues a competitive solicitation to the vendor community unless another procurement method has been authorized in an agreement between Acquisition Services and the agency. Procurements valued at more than \$50,000.00 must be posted on the Acquisition Services web site for 14 days. To do this, send the following information to Acquisition Services: ITB Number; Title Description; Due Date; Contact Name; phone number and e-mail address. This information can be sent via e-mail to [DMB-PurchWeb@michigan.gov](mailto:DMB-PurchWeb@michigan.gov) or fax to 517/335-0046. Contract awards may be made after the notice is posted on the web site for 14 days.
- If the value of the procurement is less than \$50,000.00, the department may issue the award to the vendor who is the best source for the service by following the methods prescribed by department policies and procedures.
- In establishing bid due dates, take into consideration the complexity of the solicitation and the amount of information being requested from bidders. The bid due date must be the same for all bidders on a given solicitation.
- Using the specifications and the award criteria set forth in the solicitation, evaluate all bids received by the bid due date stated in the solicitation. Bids received after the bid due date cannot be considered for award unless no bids are received by the published due date and time, or none of the bids received met the award criteria.
- Use a Joint Evaluation Committee (JEC) to assist in the evaluation process, if a JEC would be helpful. A JEC is advisory to the department. If possible, one member of the JEC should be the contract administrator or the department contact person (see Procedure 0510.08).

#### Awards:

- If the value or duration of the contract exceeds the amount and/or duration previously approved by Department of Civil Service, obtain a revised approval.

- Obtain State Administrative Board approval prior to contract execution, if the value of the award requires State Administrative Board approval. See Procedure 0620.01 and 0620.02.
- Departments shall respond to bidder's requests for information concerning the status of awards and, on request, shall make award documentation available for review and examination subject to the Freedom of Information Act.
- Completes a written contract with the bidder selected (see "For State Agencies" on the Acquisition Services website at [www.michigan.gov/doingbusiness](http://www.michigan.gov/doingbusiness) for sample contract language and insurance requirements). The contract needs to be signed by an authorized representative of the department and the contractor.
- A written contract must be agreed to and signed by all parties before services begin and expenses are incurred.
- When a written contract has been agreed to and signed by all the parties no changes to specifications, quantity or price are allowed without a formal written amendment to the contract.
- Department enters a purchasing document into ADPICS.

#### Appeals:

Departments must provide bidders with a process whereby bidders may appeal award decisions made by the department. Acquisition Services handles appeals on any of its award decisions.

\* \* \*

Procedure Update: 08-06-02  
Procedure 0510.15